
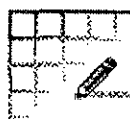
 Wes Colwell
01/02/2001 08:23 AM

To: David W Delainey/HOU/ECT@ECT
cc:
Subject: Re: 2001 Pro Forma 

I don't know yet when you return, but here's the plan. Today and tomorrow we will finalise the DPR and make any necessary adjustments to Schedule 'C' necessary to make our targets as promised to Corp. Also, we need to finalise review of the origination income and determine where each team came in compared to what they had promised you. In that regard, the only soft areas I am aware of are upstream orig and ECR. Each may have some difficulty getting their deals to "pass" Andersen audit (their issues are, however, manageable). I am telling everyone the "books" are closed after Wed, but I doubt we will finalise the DPR or schedule C until Mon. next week. FYI, we will likely get some pressure to overproduce more for the purpose of beating the analysts estimates. I will keep you posted but don't expect much paper until Thurs. morning.

Wes

David W Delainey

 David W Delainey
01/02/2001 02:21 AM

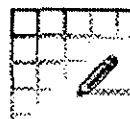
To: Wes Colwell/HOU/ECT@ECT, Faith Killen/HOU/ECT@ECT
cc:
Subject: 2001 Pro Forma

Guys, in addition please incorporate in each teams package - their Direct Expense/Headcount ratio to plan average, Productivity ratio to plan average and team ROCE to plan average and any variances from 2000 to 2001 for income/expenses taking into account our most latest 2000 forecasts by group.

Wes, I assume that you will be putting together a final 2000 i/s package for me in the next couple of days.

Thanks
Delainey

----- Forwarded by David W Delainey/HOU/ECT on 01/02/2001 02:08 AM -----

 David W Delainey
01/02/2001 02:15 AM

To: Wes Colwell/HOU/ECT@ECT, Faith Killen/HOU/ECT@ECT
cc:
Subject: 2001 Pro Forma

Guys, attached you will find a completed 2001 Pro Forma budget needing Lavo's review and then detailed review with each team.

This workbook has a number of worksheets including:

a) pkrs o&m - this details the o&m costs for the sold peakers assuming we own through Q2 - charged to the OOC;

- b) driftPrepay - shows the detail as provided netting drift and pre-pay expenses - not all that relevant if you assume that increasing drift will be offset by larger monetizations;
- c) Summary - overall completed income statement - note that non-external capital charges are added back to reach EBIT;
- d) commercial income - guts of the commercial budget;
- e) group expenses - shows the detail on ENA net groups expenses, EIS/ENW/IT non-allocable, corporate charges not allocated to specific commercial groups and bonus/other comp;
- f) HP&L - takes a cut at HP&L income statement and balance sheet in 2001 assuming a sale by the end of Q2 - this needs some sit down work with Redmond;
- g) Balance Sheet Allocations - this defines by group the capital employed, assets to be sold and new capital expenditures expected in 2001 - then calculates a net capital and depreciation charge;
- h) Balance Sheet - this defines the existing balance sheet with no anticipated sales or increases by vehicle (ie) Enserco, JEDI, etc - merchant investments are charged @ a blended rate of 15% and strategic investments are charged @ a blended rate of 9%.

Two action items:

- a) Print out for John - Commercial Income & Summary worksheets for his comment and review &
- b) Start putting completed commercial packages together for distribution/further comment by the business units in the next couple of weeks - include detailed income statement, headcount, balance sheet (including expected increases, decreases, capital charge and depreciation), leave pages open for goals & objectives and target customer list. I would like to review format and detail for each group before distribution.